

LACUM: A Vision of Excellence
An Evaluation of LACUM and the Urban Network

Prepared for the
Regional Housing and Urban Development Office for South America
United States Agency for International Development
Under Purchase Order No. 518-0000-0-00-4141-00

BY
Francis J. Conway
July 22, 1994

THE ORGANIZATIONS

LACUM

The Latin American Center for Urban Management (LACUM) is a policy and training division of the Regional Housing and Urban Development Office for South America (RHUDO/SA) of the U.S. Agency for International Development (USAID).

The Director of RHUDO/SA established the Center in 1983. Initially, it was known as the Latin American Training Center (LATC). It became LACUM in 1991. LACUM has its base in Quito, Ecuador. It operates in eleven countries in South America:

Argentina	Colombia	Peru
Bolivia	Ecuador	Uruguay
Brazil	Panama	Venezuela
Chile	Paraguay	

LACUM operates in:

- The world's most urbanized region
- Resurging economies that still confront difficulties
- Democratic rule and the growing importance of local governments

In 1990, 76% of the population of this region lived in urban areas. This is the highest percent of urban population of any region of the world, including North America (74%) and Europe (73%). The rapid rate of growth of the urban areas in the region will continue to widen the gap between South America and the rest of the world. By the year 2000, 81% of the population of South America will live in cities. This compares with 75% in North America and in Europe. The world average is 49%.

During the 1980s all the countries in South America experienced severe economic problems. South Americans refer to this period as the "lost decade." The governments and the people of the region responded to the crisis with profound economic and democratic reforms. Although the degree of change varies by country, generally, the economies of the region are growing again. Freely elected governments at the national and local level are the rule. Local governments have become important.

The Center has operated throughout its existence with minimal staff. Currently, the staff consists of the Director and two program assistants. The Center works closely with a large group of partners in the region, through:

- A cooperative agreement with the Inter-American Housing Union (IAHU)
- A cooperative agreement with the Latin American Chapter of the International Union of Local Authorities (IULA) based in Quito, Ecuador.
- A voluntary network of twenty-two regional and national organizations of diverse type from South America and the United States which share a common interest in urban development issues.

LACUM undertakes its own regional and national programs. It also supports the bilateral programs of RHUDO/SA and of USAID Missions in South America. In these efforts, LACUM employs many activities, including:

- Regional and national conferences and seminars on urban and housing policy or technical issues
- Network meetings
- Workshops and training courses on urban or housing technical issues
- Selective technical assistance to regional and national institutions
- Case studies of successful experiences in urban development and housing
- Publication of proceedings, case studies and of a quarterly newsletter

LACUM has been productive. Figure 1 shows the substantial number of seminars, conferences and workshops carried out successfully by the Center since Fiscal Year 1986. In the early years, the Center organized many of its own events. This required a significant effort by the small staff. In Fiscal Year 1989, the Center became a promoter and facilitator. It began to rely on its partners to organize events. This allowed the Center to expand its effort without increasing its staff. The LACUM is expanding its formal partnerships. It entered recently into a cooperative agreement with the Cooperative Housing Foundation. The Center has plans for a similar agreement with the Inter-American Federation of the Construction Industry.

Figure 1
RHUDO/SA - LACUM
Seminars/Conferences/Workshops
by Fiscal Year 1986 to 1993

Fiscal Year	Number of Events	Number of Participants
1986	5	174
1987	7	399
1988	4	444
1989	10	859
1990	26	1156
1991	12	1386
1992	27	1962
1993	20	2579
Total All Fiscal Years	111	8959

THE URBAN NETWORK

In February 1989, RHUDO/SA convened a meeting of nine regional and national organizations that it had selected based on the following criteria:

- Shared an interest in finding broad, large-scale solutions to shelter and urban development problems.
- Were interested in establishing a partnership with USAID and other institutions in the region.
- They represented the informal sector, business organizations or local governments, or had expertise in one of these areas.

- Had recognized prestige and credibility in their field.
- Had regional contacts of their own in South America.
- Could contribute financing, materials or people to support joint activities in the region.

At the conclusion of the meeting the participants signed the "Declaration of Quito." It expressed a shared sense of the importance of shelter and urban problems in Latin America. The signators agreed to work together. They agreed as well to help form local coalitions of business, community and government organizations to address shelter and urban problems. The group adopted as its name the Regional Network of Housing and Urban Development Institutions for Latin America and the Caribbean. The members chose LACUM as their "coordinating secretariat." The Network would hold at least one meeting annually.

The group has met at least annually since then. In 1991, the group adopted a new name. It is now the Latin American and Caribbean Housing and Urban Management and Environment Institutional Network. The group will hold its tenth meeting in December in Santiago, Chile. Figure 2 summarizes the meetings and number of participants of the network by fiscal year since 1989.

Figure 2
Network Meetings
By Fiscal Year 1989 to 1994

Fiscal Year	Place and Date of Meetings	Number of Participants
1989	Quito / February 1989 Buenos Aires / October 1989	9 14
1990	U.S. / April 1990 Buenos Aires/ September 1990	22 10
1991	Quito / April 1991	18
1992	Bogota / April 1992	22
1993	Montevideo / November 1992 Santo Domingo / August 1993	18 28
1994	Caracas / March 1994	19

AN ASSESSMENT: WHAT LACUM REALLY DOES

LACUM is valuable and is valued for three reasons:

- It has helped to make RHUDO/SA an influential participant in the housing and urban policy dialogue in every country in South America. This includes countries without a bilateral USAID housing or urban program.
- It brings together the various regional and national organizations with a common interest in housing and urban issues. It has created personal contacts among the most active contributors in the field.
- It enriches the exchange of ideas on housing and urban development in the region. LACUM brings new concepts from outside South America. It helps to transfer successful national experiences to the rest of the region.

LACUM is a productive and useful instrument in the housing and urban policy dialogue of RHUDO/SA. It has extended the reach of the office into all the countries of the region. USAID funding constraints limit the opportunity to develop bilateral housing and urban development projects. This affects many of the larger countries of South America, such as Argentina, Brazil, Colombia or Venezuela. The regional activities of LACUM have given RHUDO/SA access to influential institutions in all these countries. NGOs from Argentina and Colombia were among the first participants in the Urban Network. They have remained active throughout the nine meetings held to date. Brazil has been represented amply through the regional trade organizations that belong to the network, such as the Inter-American Housing Union (IAHU) and the Inter-American Federation of the Construction Industry (FIIC). Venezuelan NGOs have been active since the Sixth Network Meeting held in 1992 in Bogota. The Network held its most recent meeting in Venezuela. The discussion at this meeting focused on housing finance policy at a time when the Government of Venezuela is considering new legislation in this field. LACUM provided a forum where RHUDO/SA could present its views on the new legislation.

In the interviews with organizations from Chile, Colombia and Ecuador¹ conducted as background for this report, LACUM received very high marks for its work in bringing together South American institutions and persons with a common interest in housing and urban issues. The reality of the region is that the contacts in each country tend to be much more with people and institutions in the United States or Europe. LACUM has helped to change this. It has brought together the most influential housing and urban development organizations in South America. The participants in the regional activities of LACUM recognize and value this contribution. The Urban Network continues to attract new members. Most of the original participants remain active after five years, although most members must pay their own travel and other costs to attend the meetings. Important regional and worldwide trade organizations representing construction (FIIC), housing finance (IAHU), local governments (IULA), credit unions (WOCCU and COLAC), housing coops (ASINCOVI) and real estate (FIABCI) have sent representatives at their own cost to virtually every meeting. Influential national NGOs, such as PROCOMUN from Colombia and COVIP from Chile also have been constant participants.

LACUM maintains an active regional dialogue on a wide range of important housing and urban subjects. They include the urban environment and the role of women in local

¹

The interviews included the Catholic University of Chile, PROCOMUN and the Confederation of NGOs, both of Colombia, and IULA/CELCADEL in Ecuador.

government. Figure 3 shows the actual number of activities conducted by theme by LACUM over the last five years. The point is not the number of events. LACUM is in the business of selling ideas and workable models for addressing housing and urban problems in South America.

For example, LACUM has been especially active and successful in the area of housing finance. It has argued that governments should create the enabling framework so that the private sector can finance housing for all income groups. LACUM has introduced the concept of dual indexation. This approach seeks to ensure that the lender receives a real, positive return. It also protects the borrower. The Center has helped to legitimize the important contribution of the informal shelter sector to the overall development of the housing stock. It helped to disseminate in the region the successful subsidy scheme first developed in Chile. LACUM can claim part of the credit for the new housing finance system in Ecuador. The system is based on the maintenance of value of the loan principal, dual indexation and a system of subsidies similar to that of Chile.

LACUM has been successful. It is a vital part of RHUDO/SA. The Center has assisted in extending the housing and urban policy dialogue of the office to all countries in South America. LACUM is highly valued by organizations in the region as a source of contacts with other South American organizations that are active in housing and urban issues. It is the source of new ideas and the vehicle for disseminating successful experiences in one country in South America to the rest of the region. If LACUM has any weakness, it may be that it has tried to take on too much. Note in Figure 3 the wide range of themes covering fifteen different aspects of housing and urban development. Can LACUM address this many themes effectively? Does this diminish the impact of LACUM? Should LACUM be expected to produce tangible results? The next section of this report addresses the two issues. It recommends unifying themes that will provide focus to the activities of LACUM. It looks at ways to measure the impact of LACUM's activities.

Figure 3
LACUM: Focus of Activities
Fiscal Years 1990 - 1994

Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Training Workshops	Total Activities
Informal Sector	1	2				3
Public Sector Role	1					1
Private Sector Role	3					3
Housing Policy	9	2	2	2	5	20
Housing Finance	18	4	3		11	36
Infra structure	3			2	3	8
Local Government	15	5	1	2	7	30
Municipal Finance	2				2	4
Women in Local Govt	20	5	2		1	28
Urban Development	6					6
Urban Poverty					5	5
Urban Environment	4	1				5
Natural Disasters	2				1	3
Training	1			5	3	9
Other	1	2		1	1	5

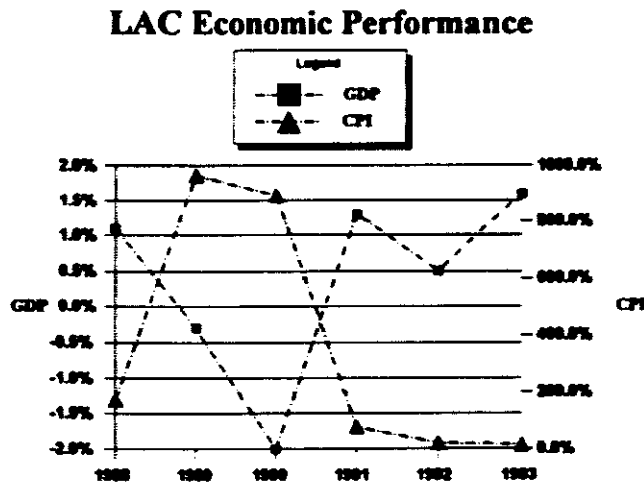
FUTURE OPTIONS

THE CONTEXT

The countries in Latin America and the Caribbean have made enormous strides forward. They left behind the "lost decade" of the 1980s. A report prepared by the USAID Bureau for Latin America and the Caribbean describes the changes:

In this final decade of the Twentieth Century, a new optimism has emerged about the future of Latin America and the Caribbean (LAC). There is widespread commitment - both by the people and their elected leaders - to sustainable development through democracy, free markets and open societies. The economies of the region have rebounded after the economic stagnation of the 1980s, and fundamental economic restructuring paralleled by democratic beginnings have produced positive change.²

The following chart, prepared with data taken from the LAC report illustrates the dramatic drop in inflation and the resurgence of economic growth.



The LAC Bureau report notes that the benefits of these economic and political reforms have not reached everyone:

Nevertheless, the pain of the economic crisis and the benefits of the recuperation have not been distributed evenly. Poverty remains a serious obstacle both to stable economic growth and political consolidation. Governments face the critical challenge of including the poor in the standard of living improvements resulting from economic growth.³

The report goes on to describe some examples of this situation:

Consider the following statistics: LAC's under-five mortality rate remains four times as high as in the developed world; over 90 million people do not have access to safe water; and overall school enrollment is less than half that in industrial countries.⁴

Bogota, Colombia and Quito, Ecuador provide examples of the lag in improvements in the living conditions of the poor despite economic growth. Colombia has enjoyed uninterrupted real economic growth rates over the last decade.⁵ Yet, in a study described in the newspaper *El Tiempo* on July 9, 1994, the mayor of Bogota, Jaime Castro, admits that fully 60% of the future growth of the city will be in the hands of "pirate" developers. These developers do not follow municipal land use regulations. They do not normally provide fully serviced lots. The following table is from the same article in *El Tiempo*. It shows that the city does not anticipate meeting the needs for services of all future inhabitants. Over 200,000 households will not have water services in the year 2000.

The performance of the Ecuadorian economy has not matched that of Colombia. Yet, the country has had real growth for the last four years.⁶ In a study described in the

³ Ibid, page 5

⁴ Ibid, page 6

⁵

19884	1985	1986	1987	1988	1989	1990	1991	1992	1993
3.5	3.3	5.8	5.4	4.1	3.4	4.3	2.1	3.5	4.5

Ibid, page 86

⁶

Real GDP growth rate (%):				
1989	1990	1991	1992	1993
0.3	3.0	4.9	3.5	1.7

Ibid, page 89

newspaper *El Universo* on July 11, 1994, the Ministry of Urban Development and Housing recognized that the provision of services has not kept pace with urban population growth. Over 20% of the land in the capital city of Quito was subdivided without meeting legal requirements. Nearly 17% of the population of that

<p align="center">Figure 4 Bogota: Projected Service Levels</p>				
	1994	1996	1998	2000
Telephones	1,103,907	1,403,131	1,589,515	1,721,537
Electricity	1,105,410	1,260,876	1,369,410	1,433,410
Water	949,728	1,059,960	1,178,200	1,280,440
Households	1,292,499	1,356,256	1,419,370	1,485,421

city does not have a sewage connection. The same article goes on to state that conditions in the second largest city, Guayaquil, are much worse. Nearly 60% of the population lives in areas without basic services.

Growing economies and democratic societies in South America must translate into more opportunities and better living conditions for the population. Hernando de Soto, author of *El Otro Sendero*, in an interview with Mercedes Alvaro a reporter for *El Comercio* of Quito, Ecuador, published on July 13, 1994, said that:

Generally, in all the countries, the adjustments are made following macro-economic models that have little to do with the problems that affect most of our population, who are those in the informal sector.

It is like going into a company that is not working well and trying to fix the accounting department, without changing the rest of the firm. Current [economic] adjustment programs only deal with the accounting department, not with the whole firm.

I believe that the task is not to protect poverty, but to give the poor the opportunity to escape poverty.

Market and democratic reforms brought South America out of its "lost decade" of the 1980s. The vital task of making those reforms meaningful for the poor majority in the region is pending. That task is the appropriate context in which to analyze the future options of LACUM.

UNIFYING THEMES

RHUDO/SA requested suggestions on a unifying theme for the Urban Network that could provide focus to the activities of the Network and LACUM. This report suggests three alternate themes. All three address the need to make market and democratic reforms meaningful to the poor majority in South America. The suggestions are as follows:

- **Urban poverty and the environment**

This theme would look at the relationship between urban poverty and urban environmental problems. Adverse environmental conditions in poor neighborhoods increase the incidence of health problems. They decrease the quality of life. They exacerbate the impact of poverty. The informal development of unsuitable and unserviced land has adverse impacts on the urban environment. The regional and bilateral agenda of RHUDO/SA, LACUM and the Urban Network already includes many proposed actions that would address both problems. If RHUDO/SA and LACUM select this theme, the focus could be on actions such as expanded private financing to increase infrastructure coverage, land market reform measures to guide the informal development process to more suitable areas, local government and NGO support for community self-help initiatives and measures to address outside sources of pollution that impact on the poor.⁷

- **Infrastructure and housing finance**

This theme would look at the impact of financial market reforms on the quality of life of the urban poor. Market-based financing of infrastructure and housing should reduce the dramatic differences that currently exist between the living standards of the poor and those of the middle and upper classes in the urban

7

The Regional Housing and Urban Development Office for the Caribbean (RHUDO/CAR) has developed a preliminary strategy based on this theme. (See Annex D.)

centers of South America. The expansion of the coverage of basic services and the improvement in the quality of housing would show conclusively that market reforms are directly relevant to the needs of the poor. RHUDO/SA, LACUM and the Urban Network clearly have emphasized this theme. Selecting the theme would suggest a focus on actions to strengthen private financing of housing and infrastructure, rationalize subsidies, reform land markets, improve the credit worthiness of local authorities and utilities and to privatize the provision of services among others.⁸

- **Strengthening NGOs and municipal governments**

This theme would emphasize the organizations that are most important in transferring the benefits of democracy to the poor. Participation empowers the poor to take greater control over their own affairs and to play a greater role in addressing their own needs. Local governments and NGOs are in the best position to encourage and support the poor in this process. Local governments also can help set an example of openness and transparency for other levels of government. This theme would draw on the fact that the NGOs have been among the most enthusiastic and consistent partners of RHUDO/SA and LACUM in the Urban Network. Selecting this theme would suggest the need to emphasize decentralization as well as measures to increase the transparency and efficiency of local governments, NGOs and CBOs.

The persons interviewed as background for this report suggested one or more of these themes. Arq. Patricio Gross of the Catholic University of Chile emphasized the importance of infrastructure. Econ. Ines de Brill of the Colombian NGO Confederation spoke of alternative waste water technologies to address the service needs of the poor and to help improve the urban environment. She also stressed the importance of helping to strengthen NGOs and CBOs, which now face a much more competitive world. Dr. Edgar Reveiz of PROCOMUN was particularly interested in both strengthening local governments and in private financing of infrastructure. Rodrigo Paz, ex-mayor of Quito, spoke also of the need to extend the coverage of infrastructure. Mr. Jorge Oviedo of the Fundacion Natura of Ecuador stressed the importance of waste management. Finally, Dr. Marco Encalada of the Corporacion OIKOS, also of

8

This approach to the provision of urban services is consistent with the findings of the World Bank, which stresses the need for a demand driven focus. In the 1993 World Development Report, the Bank stated that:

"... the experience of most countries allows us to conclude that the focus on demand is appropriate, even in low income areas. [...] Where a focus on demand has not been followed, the provision of services is characterized by inefficiency and by the lack of commitment by the consumers." (page 96)

Ecuador, spoke of the need to inform local governments of the alternatives available to address urban environmental issues.

All three themes seem to satisfy the needs and expectations of the members of the Network and of LACUM and RHUDO/SA. It might be possible to work with all three themes. This might not be compatible with the expressed desire to develop ways to measure the impact of the efforts of LACUM and the Urban Network. The next section deals with the joint issues of focus and of measurement of impact.

MEASURING RESULTS

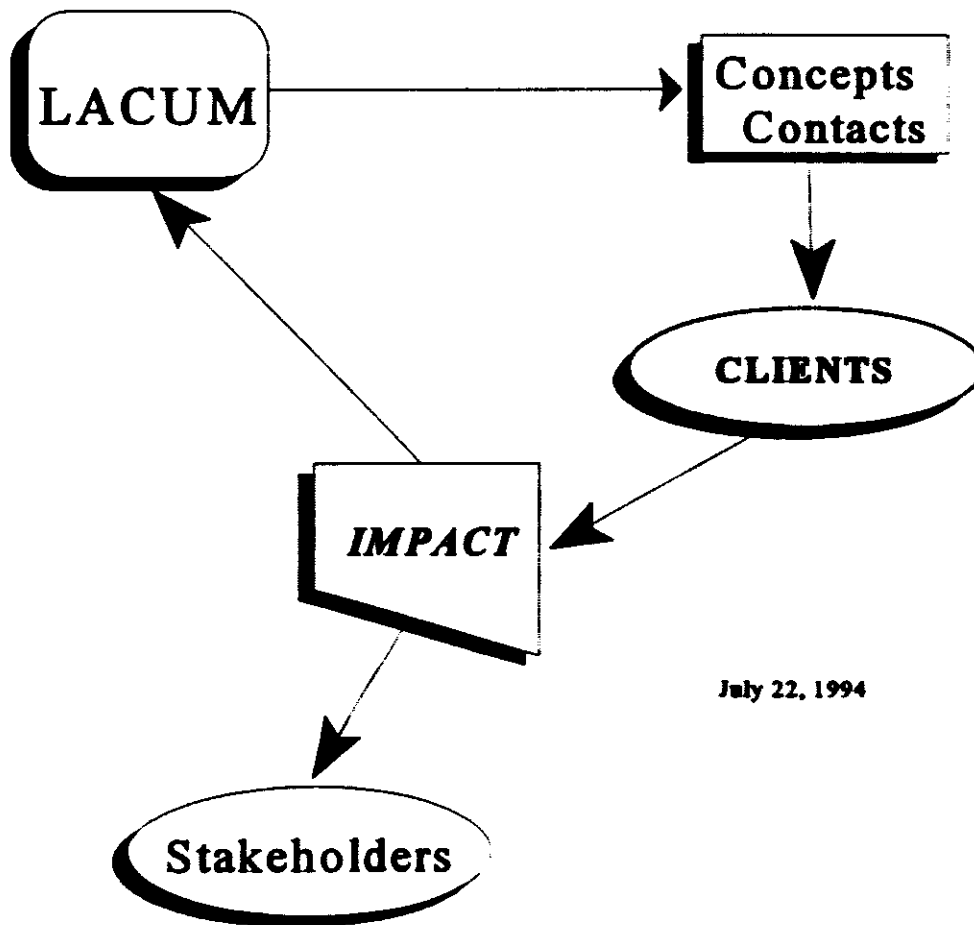
It is impossible to propose indicators of the impact of LACUM without also exploring the "goals, aims, and objectives of LACUM as an operating arm of RHUDO" and evaluating "the performance of LACUM in achieving RHUDO's goals." In that process of defining and evaluating goals, there are no right and wrong answers. It is a matter of choices that RHUDO and LACUM have made and will continue to make. An outside consultant can only help to facilitate the process.

This section describes the results of over eight hours of meetings with the staff of LACUM. The meetings used a methodology commonly associated with total quality management and process improvement.⁹ The discussions first centered on defining the mission, the products, the clients and the stakeholders of the Center (See Figure 5). The staff then developed tentative indicators to measure the impact of the efforts of LACUM and the satisfaction of the Center's clients. A short meeting with the internal clients of LACUM - the RHUDO/SA staff - helped sharpen the concepts of clients and client satisfaction. The following description of the initial results of the meetings with the staff of LACUM illustrates how the methodology could help LACUM and RHUDO/SA focus the efforts of the Center to achieve a clear, measurable impact.

⁹

See, for example: Deming, Edwards W., *Out of the Crisis*, ISBN 0-911379-01-0, 1986. or, Juran, J. M., *Juran on Quality by Design: The Next Steps for Planning Quality into Goods and Services*, ISBN 0-02-916683-7, 1992.

Figure 5



July 22, 1994

Initially, the LACUM staff defined their products in terms of training and institutional development, promoting ideas and concepts, policy change, creating points of contact ("interfases") and information dissemination. The internal clients, as represented by three members of the RHUDO/SA staff had a similar list which included improving the policy framework of projects, providing cutting line thinking, helping with training activities, strengthening RHUDO/SA contacts and regional relationships and serving as a think tank in developing and deepening policies and strategies. For purposes of the limited exercise, the LACUM decided to focus on two products, as shown in the following box:

The Products of LACUM

- **Concepts (ideas, models, strategic thinking)**
- **Contacts (people, organizations)**

The next issue had to do with the clients of LACUM. Who uses or needs the products of LACUM? The initial list included RHUDO/SA itself, USAID missions, other RHUDOs, national and local governments, NGOs, CBOs and the Network. The participating RHUDO/SA staff added bilateral project counterparts and women's organizations. Eventually, the LACUM staff narrowed the list to four categories of clients, closely associated with the two products:

The Clients of LACUM

- **The internal clients: RHUDO/SA and the USAID Missions**
- **Those with the power to change policies**
- **Those with access to and influence over the policy makers**
- **Those who help to create the capacity to implement and apply the new policies**

Total quality management theory suggests that satisfying the client is the key to a fully successful organization. This presumes that the organization knows how the clients use its products and what their needs and expectations are about the products. The participating RHUDO/SA staff articulated the needs and expectations of the internal clients in terms of greater support for project implementation, more strategy documents - especially with regard to the urban environment - and more information on what LACUM does and why. Based on their experience, the LACUM staff described the needs of external clients in terms of access to USAID funding, good contacts with other housing and urban organizations in the region and useful ideas. The notion of "useful" ideas had already been raised in an interview with Patricio Gross of the Catholic University of Chile. He indicated a need for ideas that were "feasible to carry out, measurable and strategic." Arq. Gross went on to describe LACUM as the organization "that knew what to do and how to sell it" ("son los que saben y saben vender").

This discussion caused the LACUM staff to question whether some clients had false expectations and needs regarding the Center and its products. Their concern centered mainly on the clients who expected to obtain USAID funds through LACUM. The question became even broader: Should LACUM be dealing with all its current clients? This, in turn, raised the issue of what image LACUM is projecting. Does the lack of a clear focus create false expectations? Does it attract the wrong clients? In the terms of reference for this report, RHUDO/SA raises the issue of the focus and client group of LACUM, but only in the context of the Urban Network. The LACUM staff came to see these issues as pertinent to all its efforts both with internal and external clients.

As a first step toward developing a clear, focused image, the LACUM staff concluded that they needed a more precise definition of the "concepts" that serve as the Center's main product. Following the TQM methodology, they also began to try to define the needs of their clients with regard to the "concepts" in terms that were objective and measurable. The following box summarizes the results:

Measures of Client Satisfaction

LACUM produces only the "best" ideas and concepts.

For policy makers and for those who seek to influence policy makers, the "best" means that the ideas and concepts:

- **Are timely and pertinent** to current issues of concern to policy makers
- **Based on proven methods that produce sustainable, practical results** in a short time frame that is compatible with the mandate of the policy makers
- **Review the options and propose a course of action** based on proven methods and objective reasoning

The time for the meetings ran out before the LACUM staff could develop a similar redefinition of the other product of LACUM - contacts. The remaining discussion centered on the difficult question of how to measure the impact of LACUM's efforts.

There are two ways to look at the problem. One approach would start with what LACUM does - its products - and look at what impact they have. This is the approach that seems to come to mind most readily when looking at options for measuring impact. This is a very difficult approach because it seeks to establish a direct cause-effect link between LACUM's activities and the results that occur.

An alternate approach, would start with an analysis of what quantifiable results LACUM should pursue. LACUM would declare in advance that these results are its objective. The degree to which the results occur would become the sole measure of the Center's success or failure. In effect, the stated objective would become LACUM's "bottom line." This approach does not assume necessarily that the results will derive solely from the efforts of the Center. It does not even require having to establish a direct causal link between those efforts and the results. The objective is fixed. The variables are the strategy and the products that LACUM selects to achieve the objective. Figure 6 shows how this approach would work.

Figure 6 Defining Success		
Success		Failure
The desired changes occur as set forth by LACUM	The "bottom line"	The desired changes do not occur
As the result of the approach that LACUM has been selling	Partial success or failure	Because the approach that LACUM has been selling failed
And through the actions of the persons and organizations with which LACUM works	Total success or failure	And the persons and organizations that LACUM works with did not or could not generate the results

The objectives that LACUM would be most likely to pursue take time. While waiting to claim success, LACUM could mark the completion of key preliminary steps, such as creating an enabling environment for the changes through new laws or through training. LACUM could also put forward partial success stories when an individual city reaches the objective. These would become important case studies to reinforce LACUM's message of change.

In selecting an objective, it is important to be bold, to go after major changes that have broad impacts. This is the approach used by the economists who set out to modify the economies of South America in the mid 1980s. They defined the objective as sustained economic growth based on market forces and free trade. This was an ambitious undertaking which challenged the thinking that had prevailed in the region to that point. The changes were easy to express objectively through indicators such as the real rate of GDP growth and the volume and flows of private trade and investment. The economists also had a "model" to propose for those who wanted to pursue the objective: fiscal discipline, market-determined financial and exchange rates and low tariff barriers. The economists persisted in their efforts. They worked with powerful and effective partners, such as the international donors and the IMF. They succeeded in turning around the economies of the region. The chart on page 10 shows the results.

The LACUM staff explored this approach during the discussions. They looked at ways to quantify the type of results that LACUM would consider "good" and "significant." They ended up focusing on basic infrastructure services. The objective would be to achieve "total" coverage of services, such as water, at lower costs and higher quality. This objective would be consistent with two of the unifying themes suggested earlier. They were urban poverty and the environment or infrastructure and housing finance. Putting all the pieces together - products, clients, measures of client satisfaction and the objective - generates a tentative mission statement for LACUM, as follows:

The LACUM Mission Statement

LACUM works with the best ideas through the most effective partners to achieve total coverage of basic services in all the urban areas of South America.

These results are only a first approximation. There was limited time available. It was impossible to consult with outside clients and stakeholders. The effort should continue. LACUM must obtain inputs from its clients. It should seek the guidance and concurrence of its stakeholders. What is the urban version of the bold, profound transformation caused by economists in South America? It will involve actions to extend the benefits of economic growth and democracy to the poor majority in the region. How might the objective be measured and expressed objectively? Can the Center identify the best ideas for pursuing this objective? The earlier discussion suggests that these ideas would derive from the review of options and the selection of the proven course of action that produces practical, sustainable results. Can LACUM identify the most effective clients as partners in this undertaking? As its mission and image become clearer and more focused, LACUM will attract the right clients through a process of self-selection. Can LACUM and its partners sell their objective and the recommended approach to the policy makers in the region?

These are the key questions. There is nothing to suggest that LACUM and RHUDO/SA would need to resolve all of them in a short time span. The process of arriving at an accepted and acceptable definition of the various pieces can occur slowly over several months. The steps could be as follows:

Next Steps: A Progression Toward Excellence

LACUM and RHUDO/SA select a unifying theme. This report suggests three:

- **Urban poverty and the environment**
- **Infrastructure and housing finance**
- **Strengthening NGOs and municipal governments**

LACUM, RHUDO/SA and a select group of clients agree on quantifiable results that relate to the unifying theme and that are widely accepted as significant and good.

LACUM and a select group of clients review the nature and characteristics of LACUM's products and develop objective means of verifying client satisfaction.

LACUM and RHUDO/SA develop a mission statement for LACUM.

LACUM publishes its mission statement. The Center adjusts its products and identifies its clients accordingly.

LACUM operates by measuring its success in meeting its stated objective and satisfying its clients. This involves a constant redefinition and improvement of its products and of the process by which it generates the products.

The discussions with LACUM staff conducted as inputs to this report make it clear that LACUM, RHUDO/SA and their clients and partners should have no problem running through these steps. The effort will enhance and consolidate LACUM's reputation for excellence.

**ANNEX A: CONCEPT PAPER FOR REGIONAL COOPERATIVE
AGREEMENT**

PREVIOUS PAGE BLANK

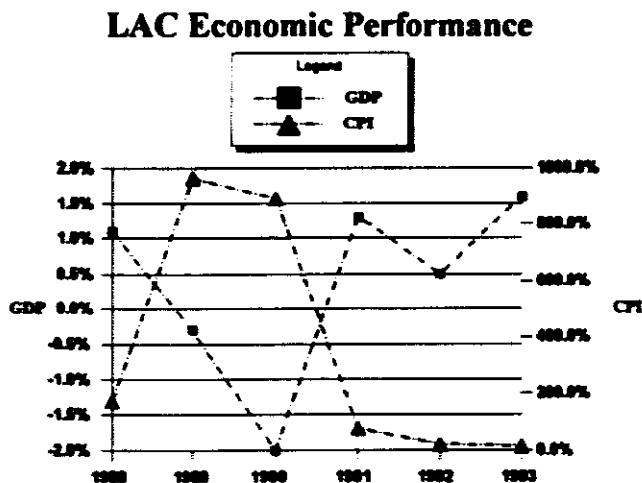
Regional Urban Cooperative Agreement: Concept Paper

THE CONTEXT

The countries in Latin America and the Caribbean have made enormous strides forward. They left behind the "lost decade" of the 1980s. A report prepared by the USAID Bureau for Latin America and the Caribbean describes the changes:

In this final decade of the Twentieth Century, a new optimism has emerged about the future of Latin America and the Caribbean (LAC). There is widespread commitment - both by the people and their elected leaders - to sustainable development through democracy, free markets and open societies. The economies of the region have rebounded after the economic stagnation of the 1980s, and fundamental economic restructuring paralleled by democratic beginnings have produced positive change.¹

The following chart, prepared with data taken from the LAC report illustrates the dramatic drop in inflation and the resurgence of economic growth.



¹

Latin America and the Caribbean: Selected Economic and Social Data. U.S. Agency for International Development. Washington, D.C., 1994, page 5.

PREVIOUS PAGE BLANK

The LAC Bureau report notes that the benefits of these economic and political reforms have not reached everyone:

Nevertheless, the pain of the economic crisis and the benefits of the recuperation have not been distributed evenly. Poverty remains a serious obstacle both to stable economic growth and political consolidation. Governments face the critical challenge of including the poor in the standard of living improvements resulting from economic growth.²

The report goes on to describe some examples of this situation:

Consider the following statistics: LAC's under-five mortality rate remains four times as high as in the developed world; over 90 million people do not have access to safe water; and overall school enrollment is less than half that in industrial countries.³

Bogota, Colombia and Quito, Ecuador provide examples of the lag in improvements in the living conditions of the poor despite economic growth. Colombia has enjoyed uninterrupted real economic growth rates over the last decade.⁴ Yet, in a study described in the newspaper *El Tiempo* on July 9, 1994, the mayor of Bogota, Jaime Castro, admits that fully 60% of the future growth of the city will be in the hands of "pirate" developers. These developers do not follow municipal land use regulations. They do not normally provide fully serviced lots. The following table is from the same article in *El Tiempo*. It shows that the city does not anticipate meeting the needs for services of all future inhabitants. Over 200,000 households will not have water services in the year 2000.

The performance of the Ecuadorian economy has not matched that of Colombia. Yet, the country has had real growth for the last four years.⁵ In a study described in the

² Ibid, page 5

³ Ibid, page 6

⁴

19884	1985	1986	1987	1988	1989	1990	1991	1992	1993
3.5	3.3	5.8	5.4	4.1	3.4	4.3	2.1	3.5	4.5

Ibid, page 86

⁵

Real GDP growth rate (%):				
1989	1990	1991	1992	1993
0.3	3.0	4.9	3.5	1.7

Ibid, page 89

newspaper *El Universo* on July 11, 1994, the Ministry of Urban Development and Housing recognized that the provision of services has not kept pace with urban population growth. Over 20% of the land in the capital city of Quito was subdivided without meeting legal requirements. Nearly 17% of the population of that

Figure 4 Bogota: Projected Service Levels				
	1994	1996	1998	2000
Telephones	1,103,907	1,403,131	1,589,515	1,721,537
Electricity	1,105,410	1,260,876	1,369,410	1,433,410
Water	949,728	1,059,960	1,178,200	1,280,440
Households	1,292,499	1,356,256	1,419,370	1,485,421

city does not have a sewage connection. The same article goes on to state that conditions in the second largest city, Guayaquil, are much worse. Nearly 60% of the population lives in areas without basic services.

Growing economies and democratic societies in South America must translate into more opportunities and better living conditions for the population. Hernando de Soto, author of *El Otro Sendero*, in an interview with Mercedes Alvaro a reporter for *El Comercio* of Quito, Ecuador, published on July 13, 1994, said that:

Generally, in all the countries, the adjustments are made following macro-economic models that have little to do with the problems that affect most of our population, who are those in the informal sector.

It is like going into a company that is not working well and trying to fix the accounting department, without changing the rest of the firm. Current [economic] adjustment programs only deal with the accounting department, not with the whole firm.

I believe that the task is not to protect poverty, but to give the poor the opportunity to escape poverty.

OBJECTIVE OF THE COOPERATIVE AGREEMENT

Objective

The objective of this cooperative agreement is to develop practical success stories at the level of individual cities of South America which demonstrate that market and democratic reforms can help the poor escape poverty.

A separate report prepared for RHUDO/SA suggests three possible themes that could serve as the focal point of this cooperative agreement. All three address the need to make market and democratic reforms meaningful to the poor majority in South America. The suggestions are as follows:

- Urban poverty and the environment

This theme would look at the relationship between urban poverty and urban environmental problems. Adverse environmental conditions in poor neighborhoods increase the incidence of health problems. They decrease the quality of life. They exacerbate the impact of poverty. The informal development of unsuitable and unserved land has adverse impacts on the urban environment. The regional and bilateral agenda of RHUDO/SA already includes many proposed actions that would address both problems. If RHUDO/SA selects this theme, the focus of the work under the cooperative agreement should be on actions such as expanded private financing to increase infrastructure coverage, land market reform measures to guide the informal development process to more suitable areas, local government and NGO support for community self-help initiatives and measures to address outside sources of pollution that impact on the poor.⁶

- Infrastructure and housing finance

This theme would look at the impact of financial market reforms on the quality of life of the urban poor. Market-based financing of infrastructure and housing should reduce the dramatic differences that currently exist between the living

6

The Regional Housing and Urban Development Office for the Caribbean (RHUDO/CAR) has developed a preliminary strategy based on this theme. (See Annex D of the report *LACUM: A Vision of Excellence* dated July 22, 1994.)

standards of the poor and those of the middle and upper classes in the urban centers of South America. The expansion of the coverage of basic services and the improvement in the quality of housing would show conclusively that market reforms are directly relevant to the needs of the poor. RHUDO/SA clearly has emphasized this theme. Selecting the theme would suggest a focus under the cooperative agreement on actions to strengthen private financing of housing and infrastructure, rationalize subsidies, reform land markets, improve the credit worthiness of local authorities and utilities and to privatize the provision of services among others.⁷

- **Strengthening NGOs and municipal governments**

This theme would emphasize the organizations that are most important in transferring the benefits of democracy to the poor. Participation empowers the poor to take greater control over their own affairs and to play a greater role in addressing their own needs. Local governments and NGOs are in the best position to encourage and support the poor in this process. Local governments also can help set an example of openness and transparency for other levels of government. This theme would draw on the fact that the NGOs have been among the most enthusiastic and consistent partners of RHUDO/SA. Selecting this theme would suggest that the cooperative agreement should emphasize decentralization as well as measures to increase the transparency and efficiency of local governments, NGOs and CBOs.

RHUDO/SA should select the same theme for this cooperative agreement and for the regional activities of LACUM. The two will work together. LACUM will provide conceptual models and strategies in support of the agreement. This agreement will develop success stories at the level of individual cities which support LACUM's efforts. It will show that the conceptual models and the strategies proposed by LACUM will produce significant, measurable improvements in the living conditions of the poor.

7

This approach to the provision of urban services is consistent with the findings of the World Bank, which stresses the need for a demand driven focus. In the 1993 World Development Report, the Bank stated that: "... the experience of most countries allows us to conclude that the focus on demand is appropriate, even in low income areas. [...] Where a focus on demand has not been followed, the provision of services is characterized by inefficiency and by the lack of commitment by the consumers." (page 96)

PROPOSED METHODOLOGY: CREATING THE SUCCESS STORIES

This cooperative agreement will work in two or three cities in South America. The grantee will use a competitive approach to select the cities which it will support. The intent is to look for cities that already are engaged actively in pursuing measurable results consistent with the theme of the agreement. This would be their initiative - one that they would carry out with or without the support of the cooperative agreement. The cities would be expected to have their own capital financing, if required. They would not require budget support for their operating expenses. The relationship between the grantee and the cities would be one of equal partners with a common objective.

The grantee would become a specialized consultant of the city. It would provide support in areas such as:

- Assistance in understanding and applying conceptual models and strategies relevant to shared undertaking
- Technical assistance and training applying new methods and skills in technical and financial areas
- Observation trips to learn from the experiences of other cities
- Assistance in preparing requests for funding from public or private sources
- Assistance involving community groups in city activities
- Assistance working with local NGOs

The participating cities and the grantee would enter into "performance contracts" which set out specific quantifiable goals consistent with the regional theme. The contract would also describe the role of each partner. Failure to meet the goals or key benchmarks would eventually result in the dissolution of the contract. At that point, activities under the agreement would end in the particular city. This would put a large burden on the grantee to identify viable and reliable partners.

GENERALIZING FROM THE INDIVIDUAL EXPERIENCES

The grantee would have a second major responsibility under the terms of the agreement. The objective of the agreement is to develop success stories. The activities described in the prior section would seek to help create such success stories. Concurrently, the grantee would be recording events and evaluating the experience in each city. The idea would be to develop case studies in support of the RHUDO/SA regional agenda.

The grantee would carry out tasks such as:

- Developing base line data to measure impact
- Conducting periodic surveys to update the information
- Developing a chronology of the events, with graphic and pictorial support
- Recording evidence that supports or contradicts the general conceptual models and strategies applied in the particular case
- Preparing case studies that describe and evaluate the experience
- Preparing teaching or training materials based on the experience
- Conducting a limited number of regional seminars to disseminate the results

The grantee would make all the results and materials from each experience available for use by RHUDO/SA, LACUM and their network partners.

TENTATIVE IMPLEMENTATION SCHEDULE

The project would occur in three phases.

Phase I would begin immediately upon signing the cooperative agreement. In this phase the grantee would identify target cities and invite them to present proposals under the terms of the agreement. The grantee would select the two or three cities that it would support in developing a success story. The grantee and the city would sign a "performance contract" laying out the role, contributions and responsibilities of each partner. This phase might require three to four months.

Phase II would involve the actual work in each city. This is the longest phase. It could continue for as long as four or five years.

Phase III would involve the development of the success story or case study. Some early results might be available before the completion of all Phase II activities. Basically, though, this is the phase that would coincide with the conclusion of the cooperative agreement. It might extend six to twelve months beyond Phase II.

Together, the three phases would have an elapsed time of about six years. It might be possible to begin and to end sooner in one or another of the cities. This would be convenient because it would provide early evidence and materials in support of the RHUDO/SA regional agenda.

PROPOSED TERMS OF THE AGREEMENT

This agreement should be subject to strict performance targets. The targets should relate to the impact achieved in each city. Consistent with the concept of a cooperative agreement, RHUDO/SA would not be supervising or controlling the work of the grantee. The targets would serve to determine whether to continue the agreement. This could be done annually through a joint evaluation involving RHUDO/SA, the grantee and the participating cities.

There is no way to establish a budget for this agreement. It is largely a function of the resources available to RHUDO/SA. Tentatively, the figures might be as shown in the Budget Table A, below.

Table A Illustrative Budget for Proposed Cooperative Agreement		
Phase I	\$150,000	3 - 6 months
Phase II	\$750,000	48 - 60 months
Phase III	\$350,000	6 - 12 months
Total Cost/Period	\$1,250,000	Approximately 72 months

**ANNEX B: ACTIVITIES CONDUCTED BY
LACUM IN FISCAL YEARS 1990 TO 1994**

LACUM Focus of Activities Fiscal Year 1990						
Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Information Documents	Training Workshops
Informal Sector						
Public Sector Role	x					
Private Sector Role	xx					
Housing Policy	xx					x
Housing Finance	xxxx	x	x			xx
Land						
Infra structure	x					xxx
Local Government	xxx					
Municipal Finance						xx
Women in Local Govt						
Urban Development	xx					
Urban Poverty						xx
Urban Environment						
Natural Disasters						
Training				x		
Other						

LACUM Focus of Activities Fiscal Year 1991						
Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Information Documents	Training Workshops
Informal Sector						
Public Sector Role						
Private Sector Role						
Housing Policy			x			
Housing Finance	xxx		x			
Land						
Infra structure						
Local Government	x					
Municipal Finance						
Women in Local Govt	xx					
Urban Development	x					
Urban Poverty						x
Urban Environment	x					
Natural Disasters						
Training						xx
Other				x		

LACUM Focus of Activities Fiscal Year 1992						
Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Information Documents	Training Workshops
Informal Sector		xx				
Public Sector Role						
Private Sector Role						
Housing Policy	xxxx	xx				x
Housing Finance	xx	x				xxxxx
Land						
Infra structure	x					
Local Government	xxxx					xx
Municipal Finance						
Women in Local Govt	xxxxxxxxxxxx x	xx	xx			
Urban Development	xx					
Urban Poverty						
Urban Environment	x					
Natural Disasters						x
Training						x
Other				x		

LACUM Focus of Activities Fiscal Year 1993						
Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Information Documents	Training Workshops
Informal Sector	x					
Public Sector Role						
Private Sector Role						
Housing Policy						
Housing Finance	xx					x
Land						
Infra structure						
Local Government	xxxx			x		x
Municipal Finance						
Women in Local Govt	xxxxx					
Urban Development						
Urban Poverty						
Urban Environment	xx					
Natural Disasters	x					
Training						
Other						

LACUM Focus of Activities Fiscal Year 1994						
Type/ Focus	Seminars Conferences	Publications	Studies Case studies	Technical Assistance	Information Documents	Training Workshops
Informal Sector						
Public Sector Role						
Private Sector Role	x					
Housing Policy	xxx			xx		xxx
Housing Finance	xxxxxxx	xx	x			xxx
Land						
Infra structure	x			xx		
Local Government	xxx	xxxxx	x	x		x
Municipal Finance	xz					
Women in Local Govt	x	xxx				x
Urban Development	x					
Urban Poverty						xx
Urban Environment		x				
Natural Disasters	x					
Training	x			xxx		
Other	x (Family)	xx (Family)				x (Family)

**ANNEX C: MEMBERSHIP AND RECURRING
THEMES OF THE URBAN NETWORK**

Evolution of the Institutional Membership of the Urban Network

First Meeting

Quito: February 6-8, 1989

Members Present:

IAHU (UNIAPRAVI)	Trade	LAC	Hsng Fin
IULA/CELCADEL	NGO	LAC	Local Govts
FIIC	Trade	LAC	Construction
ASINCOVI	NGO	Argentina	Hsng Coops
CHF	PVO	U.S.	Hsng Coops
WOCCU	NGO	Worldwide	Credit Unions
PROCOMUN	NGO	Colombia	Local Govts
RHUDO/SA	Govt	SA	Hsng/Urb Dev
Fundacion Carvajal	NGO	Colombia	Informal sector
Total	9		

Second Meeting

Buenos Aires: October 19-20, 1989

Members Present:

Add:

CONSTRUYAMOS ⁸	NGO	Colombia	Informal sector
NAR	Trade	U.S.	Real estate
COVIP	NGO	Chile	Hsng Coops
COLAC	NGO	LAC	Credit Unions
FIABCI ⁹	Trade	Worldwide	Real estate
CECOVIRA ¹⁰	NGO	Argentina	Hsng Coops

⁸ Camara de la Vivienda Popular por Autogestion Comunitaria

⁹ Federacion Internacional de Profesionales Inmobiliarias

¹⁰ Confederacion de Entidades Cooperativas de Vivienda de la Republica Argentina

ASOBUR ¹¹	NGO	Bolivia	Urb Dev
Subtract:			
IAHU (UNIAPRAVI)	Trade	LAC	Hsng Fin
PROCOMUN	NGO	Colombia	Local Govts
Total	14		

Third Meeting

Washington D.C.: April 28, 1990

Members Present:

Add:

CEVIS ¹²	NGO	Argentina	Hsng
SUCASA	Firm	Panama	Hsng
CIS ¹³	NGO	Peru	Urb Law
Fundacion Paraguaya ¹⁴	NGO	Paraguay	Comm Dev
CC de Guayaquil	Trade	Ecuador	Construction
FCV Salta y Jujuy ¹⁵	NGO	Argentina	Hsng Coops
Municipalidad de Quito	Local Govt	Ecuador	Local Govt
CAVERA ¹⁶	Trade	Argentina	Hsng
Total	22		

Fourth Meeting

Buenos Aires: September 27, 1990

Members Present:

Add:

IAHU (UNIAPRAVI)	Trade	LAC	Hsng Fin
------------------	-------	-----	----------

¹¹ Asociacion Boliviana de Instituciones de Asuntos Urbanos¹² Fundacion Centro de Estudios de la Vivienda Social¹³ Centro de Investigaciones Sociales¹⁴ Fundacion Paraguaya de Cooperacion y Desarrollo¹⁵ Federacion de Cooperativas de Vivienda de Salta y de Jujuy¹⁶ Camara de la Vivienda Economica de la Republica Argentina

Municipalidad de Azogues	Local Govt	Ecuador	Local Govt
Subtract:			
CHF	PVO	U.S.	Hsng Coops
WOCCU	NGO	Worldwide	Credit Unions
NAR	Trade	U.S.	Real estate
COVIP	NGO	Chile	Hsng Coops
Fundacion Carvajal	NGO	Colombia	Informal sector
ASOBUR	NGO	Bolivia	Urb Dev
SUCASA	Firm	Panama	Hsng
CIS	NGO	Peru	Urb Law
CC de Guayaquil	Trade	Ecuador	Construction
FCV Salta y Jujuy	NGO	Argentina	Hsng Coops
Municipalidad de Quito	Local Govt	Ecuador	Local Govt
CAVERA	Trade	Argentina	Hsng
FIABCI	Trade	Worldwide	Real estate
COLAC	NGO	LAC	Credit Unions
CONSTRUYAMOS	NGO	Colombia	Informal sector
Total	10		

Fifth Meeting

Quito: April 4-5, 1991

Members Present:**Add:**

CONSTRUYAMOS	NGO	Colombia	Informal sector
CHF	PVO	U.S.	Hsng Coops
COLAC	NGO	LAC	Credit Unions
CIS	NGO	Peru	Urb Law
CC de Guayaquil	Trade	Ecuador	Construction
CORPRIDE ¹⁷	NGO	Chile	Comm Dev
Fundacion Viv Popular	NGO	Venezuela	Hsng
ANME ¹⁸	Trade	Ecuador	Hsng Fin
ICMA	NGO	Worldwide	Local Govt

¹⁷ Corporacion Privada de Desarrollo¹⁸ Asociacion Nacional de Mutualistas del Ecuador

IDDI ¹⁹	NGO	Dominican Rep	Comm Dev
CIIVivienda ²⁰	NGO	Dominican Rep	Hsng
Subtract:			
CECOVIRA	NGO	Argentina	Hsng Coops
Municipalidad de Azogues	Local Govt	Ecuador	Local Govt
Total	18		
Sixth Meeting			
Bogota: April 23-24, 1992			
Members Present:			
Add:			
PROCOMUN	NGO	Colombia	Local Govts
WOCCU	NGO	Worldwide	Credit Unions
CECOVIRA	NGO	Argentina	Hsng Coops
COVIP	NGO	Chile	Hsng Coops
FIABCI	Trade	Worldwide	Real estate
Fund Encuentro Habitat	NGO	Colombia	Informal Sect
Coop Unidad Nacional ²¹	NGO	Argentina	Hsng Coop
CV 4 de Octubre	NGO	Argentina	Hsng Coop
Coop COUNVICO	NGO	Argentina	Hsng Coop
Fed Mun Istmo CA ²²	NGO	CA	Local Govt
Conf Col de ONGs	NGO	Colombia	Comm Dev
Subtract:			
CHF	PVO	U.S.	Hsng Coops
CIS	NGO	Peru	Urb Law
CC de Guayaquil	Trade	Ecuador	Construction
ANME	Trade	Ecuador	Hsng Fin
IDDI	NGO	Dominican Rep	Comm Dev
CIIVivienda	NGO	Dominican Rep	Hsng

¹⁹ Instituto Dominicano de Desarrollo Integral

²⁰ Consejo Interinstitucional Para la Coordinacion de Programas de Vivienda

²¹ Cooperative Unidad Nacional de Vivienda y Consumo

²² Federacion de Municipios de Istmo Centroamericano

Fundacion Paraguaya	NGO	Paraguay	Comm Dev
Total	22		

Seventh Meeting

Montevideo: November 30 to December 1, 1992

Members Present:**Add:**

Fundacion Paraguaya	NGO	Paraguay	Comm Dev
CIIVivienda	NGO	Dominican Rep	Hsng
IBAM ²³	Trng Inst	Brazil	Local Govt
Consejo Nac de la Viv	Govt	Venezuela	Hsng
CC del Uruguay	Trade	Uruguay	Construction
Banco Hipotecario	Bank	Uruguay	Hsng Fin
Soc Auxiliar de Coop	NGO	Uruguay	Hsng Coop

Subtract:

PROCOMUN	NGO	Colombia	Local Govts
WOCCU	NGO	Worldwide	Credit Unions
COVIP	NGO	Chile	Hsng Coops
FIABCI	Trade	Worldwide	Real estate
Fund Encuentro Habitat	NGO	Colombia	Informal Sect
Coop Unidad Nacional	NGO	Argentina	Hsng Coop
CV 4 de Octubre	NGO	Argentina	Hsng Coop
Coop COUNVICO	NGO	Argentina	Hsng Coop
Fed Mun Istmo CA	NGO	CA	Local Govt
Conf Col de ONGs	NGO	Colombia	Comm Dev
COLAC	NGO	LAC	Credit Unions
Total	18		

Eighth Meeting

Santo Domingo: August 19-20, 1993

Members Present:**Add:**

CHF	PVO	U.S.	Hsng Coops
Fund Encuentro Habitat	NGO	Colombia	Informal Sect

²³ Instituto Brasileno de Administracion Municipal

FIABCI	Trade	Worldwide	Real estate
COVIP	NGO	Chile	Hsng Coops
WOCCU	NGO	Worldwide	Credit Unions
Conf Col de ONGs	NGO	Colombia	Comm Dev
PROCOMUN	NGO	Colombia	Local Govts
FUNDARBOL	NGO	Venezuela	Env
Fund Habitat	NGO	Peru	Hsng
SUMANDO	NGO	Paraguay	Comm Dev
Inst Estudios Urbanos	Univ	Chile	Urb Dev
INDESUR	NGO	Dominican Rep	Comm Dev
Asoc Des San Jose de Ocoa	NGO	Dominican Rep	Comm Dev
Mutual La Paz	S&L	Bolivia	Hsng Fin
INAVI ²⁴	Govt	Dominican Rep	Hsng
BNV	Bank	Dominican Rep	Hsng Fin
Fund Habitat	NGO	Dominican Rep	Hsng
FEDECOOP	NGO	Dominican Rep	Coops
IDDI	NGO	Dominican Rep	Comm Dev
Fund Municipal de Baru	NGO	Dominican Rep	Comm Dev
Subtract:			
CECOVIRA	NGO	Argentina	Hsng Coops
Fundacion Paraguaya	NGO	Paraguay	Comm Dev
IBAM ²⁵	Trng Inst	Brazil	Local Govt
Consejo Nac de la Viv	Govt	Venezuela	Hsng
CC del Uruguay	Trade	Uruguay	Construction
Banco Hipotecario	Bank	Uruguay	Hsng Fin
Soc Auxiliar de Coop	NGO	Uruguay	Hsng Coop
ASINCOVI	NGO	Argentina	Hsng Coops
FIIC	Trade	LAC	Construction
CORPRIDE ²⁶	NGO	Chile	Comm Dev
Total	28		

Nineth Meeting

²⁴ Instituto Nacional de la Vivienda de Republica Dominicana

²⁵ Instituto Brasileno de Administracion Municipal

²⁶ Corporacion Privada de Desarrollo

Caracas: March 23-24, 1994

Members Present:

Add:

CECOVIRA	NGO	Argentina	Hsng Coops
FIIC	Trade	LAC	Construction

Subtract:

WOCCU	NGO	Worldwide	Credit Unions
Fund Habitat	NGO	Peru	Hsng
SUMANDO	NGO	Paraguay	Comm Dev
Asoc Des San Jose de Ocoa	NGO	Dominican Rep	Comm Dev
Mutual La Paz	S&L	Bolivia	Hsng Fin
INAVI ²⁷	Govt	Dominican Rep	Hsng
BNV	Bank	Dominican Rep	Hsng Fin
Fund Habitat	NGO	Dominican Rep	Hsng
FEDECOOP	NGO	Dominican Rep	Coops
IDDI	NGO	Dominican Rep	Comm Dev
Fund Municipal de Barú	NGO	Dominican Rep	Comm Dev
Total	19		

²⁷ Instituto Nacional de la Vivienda de Republica Dominicana

Evolution of the Substantive Focus of the Urban Network

First Meeting

Quito: February 6-8, 1989

Informal sector

Housing programs

Local governments

Private sector

Second Meeting

Buenos Aires: October 19-20, 1989

Informal sector

Housing programs

Local governments

Private sector

Cooperatives

Housing finance

Third Meeting

Washington D.C.: April 28, 1990

Informal sector

Housing programs

Private sector

Housing finance

Public sector

Fourth Meeting

Buenos Aires: September 27, 1990

Local governments/decentralization

Women in local government

Fifth Meeting

Quito: April 4-5, 1991

Women in local government
Urban environment
Disaster relief

Sixth Meeting

Bogota: April 23-24, 1992

Informal sector
Housing programs

Seventh Meeting

Montevideo: November 30 to December 1, 1992

Informal sector
Housing programs
Housing finance
Family

Eighth Meeting

Santo Domingo: August 19-20, 1993

Informal sector
Urban land

ANNEX D: RHUDO/CAR ENVIROMENTAL STRATEGY

RHUDO/CARIBBEAN ENVIRONMENTAL STRATEGY

The Key Factors:

Urban population growth, urban poverty and the related expansion of the built environment are the key factors of special interest to USAID in looking at the causes and consequence of urban environmental problems - the so-called "brown" environmental concerns. These factors are pervasive and growing rapidly in developing countries. Their principal effect is to exacerbate the impact of poverty and to accelerate environmental degradation.

The Approach:

Whereas other donors focus on building public works to address urban environmental issues, RHUDO looks at urban environmental problems from the perspective of poverty and of the larger poor population. The approach is not necessarily to look at capital investments. The proper perspective is to accept the reality of low incomes and of scarce resources and to develop an urban environmental strategy that is viable within these constraints.

Why is the RHUDO approach of interest to USAID?:

- It impacts directly on the poor.
- It impacts directly on the environment.
- It impacts directly on the ability of public institutions to manage urban growth.

RHUDO proposes to look at how the poor survive and go about their business in the marginal areas where they live. RHUDO proposes to look at how the poor deal with the environment.

Possible program areas:

- Focus on the urban poor by providing them the tools to survive more effectively and to manage the environment through public awareness efforts, through health education and through training on alternative technologies and practices to help them build communities in harmony with the natural environment.
- Focus on public institutions by looking at their responsibilities given the focus on poverty and scarce resources through technical assistance to develop new policies, programs and skills.
- Focus on public and private sources of environmental hazards that impact on the poor by helping them implement activities to mitigate the adverse impacts of pollution on the urban poor through limited capital investments and alternative institutional strategies, such as privatization.
- Focus on USAID research and development by looking at and learning about how urban marginal communities coexist with and impact on the environment and by disseminating technologies appropriate to addressing urban environmental issues in conditions of poverty and scarce resources.
- Focus on NGOs and PVOs by involving them in the implementation of the programs and by transferring the lessons learned through regional training programs.

Next Steps for RHUDO/Caribbean

Develop immediate experience, expertise and urban environmental credentials through the activities of Jamaica HG-012 focused on alternative strategies for disposing of sewage in urban marginal communities.

Develop a full-scale application of the proposed RHUDO strategy through the new SLIC Project in Jamaica.

Seek funding for and design a regional training program to sell the new urban environmental strategy to NGOs and PVOs that are involved in urban marginal communities throughout the Caribbean.